Utilisation of funds generated through disinvestment of PSEs

2664. SHRI N.R. GOVINDARAJAR: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the number of sick Public Sector Enterprises in the country;

(b) whether Government have any plan to revive these sick industries;

(c) if so, the details thereof;

(d) whether the amount received from the disinvestments of Public Sector enterprises has been utilized for this purpose; and

(e) if so, the details thereof?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) Based on the audited financial results for the year 2004-05, 81 cases of sick Central Public Enterprises (CPSEs) have been identified for the purpose of making reference to Board for Reconstruction of Public Sector Enterprises (BRPSE).

(b) and (c) BRPSE has been constituted to undertake strengthening, modernizing, reviving and restructuring of public sector enterprises. BRPSE has given its recommendation in respect of 32 cases of CPSEs. Based on the same, Government has approved revival plans of 19 CPSEs and closure of one CPSE.

(d) and (e) The Government has constituted a "National Investment Fund" (NIF) in 2005-06, into which the proceeds from disinvestment of Government equity in CPSEs would be channelised. 75% of the income of NIF will be used to finance selected social sector schemes, which promote education, health and employment. The residual 25% of the annual income of NIF will be used to meet the capital investment requirements of profitable and revivable CPSEs that yield adequate returns, in order to enlarge their capital base to finance expansion/diversification. There has been no accrual to NIF so far. Prior to constitution of NIF, the amounts realised from disinvestment in CPSEs were credited in the Consolidated Fund of India, which, *inter alia*, were also used to finance social and economic development programme as well as CPSE restructuring/revival and infrastructure development through normal procedure of budgetary allocations.